

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: June 5, 2017

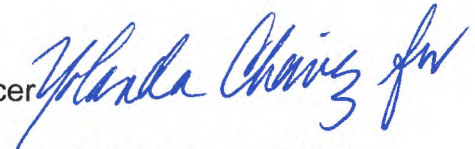
CAO File No. 0220-00540-1240

Council File No. 16-0647

Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer



Reference: Housing and Community Investment Department Transmittal dated May 11, 2017

Subject: **REQUEST FOR AUTHORITY TO ENTER INTO A COOPERATIVE AGREEMENT WITH AND TRANSFER \$100,000 TO THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES TO OBTAIN A CONSULTANT TO PREPARE THE ASSESSMENT OF FAIR HOUSING PLAN**

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### RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the Housing and Community Investment Department (HCID) to enter into a Cooperative Agreement with the Housing Authority of the City of Los Angeles (HACLA) to use \$100,000 within HCID's Fund No. 100/43, Account No. 003040, Contractual Services Account, to pay HACLA for consultant costs relative to an Assessment of Fair Housing Plan service contract with Enterprise Community Partners, Inc.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to enter into a Cooperative Agreement (see Attachment to HCID's May 11, 2017 transmittal) to use \$100,000 in previously-approved funds (C.F. 16-0647) to pay the Housing Authority of the City of Los Angeles (HACLA) for contracting costs relative to the development of an Assessment of Fair Housing (AFH) Plan with Enterprise Community Partners, Inc. While Council previously authorized HCID to enter into a contract with Western Economic Services, LLC (WES) for this purpose, HCID reports that WES was unable to adequately complete the terms of the agreement and, as a result, WES canceled the contract with the City. HACLA then conducted a selection process described on Page 4 of the HCID May 11, 2017 transmittal and selected Enterprise Community Partners, Inc. (ECP) to complete the AFH Plan. Selection of a new contractor was deemed to be urgent as HCID is behind its original schedule to deliver the AFH Plan to the U.S. Department of Housing and Urban Development (HUD). HCID indicates that requiring an extension to complete the AFH Plan will not result in a negative impact to federal funding; however, HCID wishes to expedite the necessary approvals in order to encumber current-year funds to pay for the AFH Plan contract with ECP. This Office concurs with HCID's requests.

The HCID and HACLA will submit a joint AFH Plan to HUD and both are therefore helping to fund the contract. HCID's compensation for the contract will be paid using the \$100,000 remaining in HCID's contractual services account for this purpose and as approved in the FY 2016-17 budget process. Another \$50,000 will be funded by HACLA for a contract total of \$150,000.

## **BACKGROUND**

In 2015, HUD published its Affirmatively Furthering Fair Housing (AFFH) Final Rule requiring jurisdictions receiving federal funds for housing and urban development to take actions that can undo historic patterns of segregation and other types of discrimination, and to promote fair housing choice and foster inclusive communities. The AFFH Final Rule facilitates reliance on local knowledge and local decision-making to determine best strategies for HUD grantees to meet their fair housing obligation. HUD grantees must identify four fair housing issues in their AFH Plan: 1) patterns of integration and segregation; 2) racially and ethnically concentrated areas of poverty; 3) disparities in access to opportunity; and, 4) disproportionate housing needs.

In June 2016, Council approved the release of a Request for Proposals for AFH consultant services (C.F. 16-0647), and in August 2016, HCID recommended WES for the AFH consultant services contract. By February 2017, however, HCID determined that WES did not perform to expectations and HCID issued a notice to correct deficiencies to WES. Pursuant to the terms of the contract (C-128726), WES provided a written notice to HCID terminating the agreement. In April 2017, HACLA conducted a competitive process to replace WES and entered into a contract with ECP to perform the remaining analysis to complete the AFH Plan. More details regarding the selection process and revised AFH Plan calendar are available on Pages 4 and 5 of HCID's May 11, 2017 transmittal. HACLA's selection, contracting and payment processes do not need Council approval; however, HCID's payment to and Cooperative Agreement with HACLA do require Council approval.

The Personnel Department previously completed a Charter Section 1022 determination in 2016 relative to the tasks associated with the AFH Plan development. Personnel found that City employees do not have the expertise to perform those services and a Charter Section 1022 Determination by this Office is not required.

## **FISCAL IMPACT STATEMENT**

There is no additional impact to the General Fund. The Assessment of Fair Housing (AFH) Plan contract will be funded by the General Fund (\$100,000); funds are available within the Housing and Community Investment Department's FY 2016-17 Budget to pay the Housing Authority of the City of Los Angeles for the City's share of the AFH Plan. The recommendation of this report is in compliance with the City's Financial Policies in that funding for the contract is available within HCID's budgeted funds.